MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

January 2008

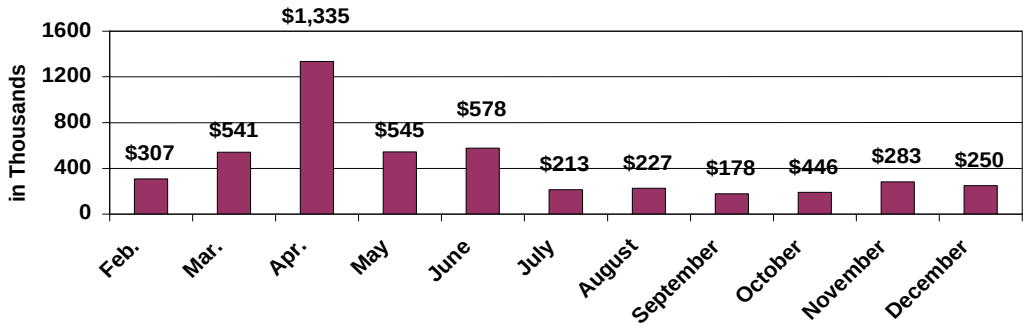
CENTER FOR INFORMATION SYSTEMS AND ANALYSIS

Maryland Trauma Physician Services Fund

Uncompensated Care Processing

CoreSource Inc., the third party administrator (TPA) for the Trauma Fund, adjudicated claims with a total paid value of approximately $250,000 in December. Since February 2007, the Trauma Fund has paid approximately $4.8 million in uncompensated care claims. The monthly payments for uncompensated care are shown in Figure 1. MHCC expects the volume of uncompensated care to be paid during January to increase significantly from recent months.

Figure 1 -- Uncompensated Care Payments February 2007 to the Present



Annual Reconciliation

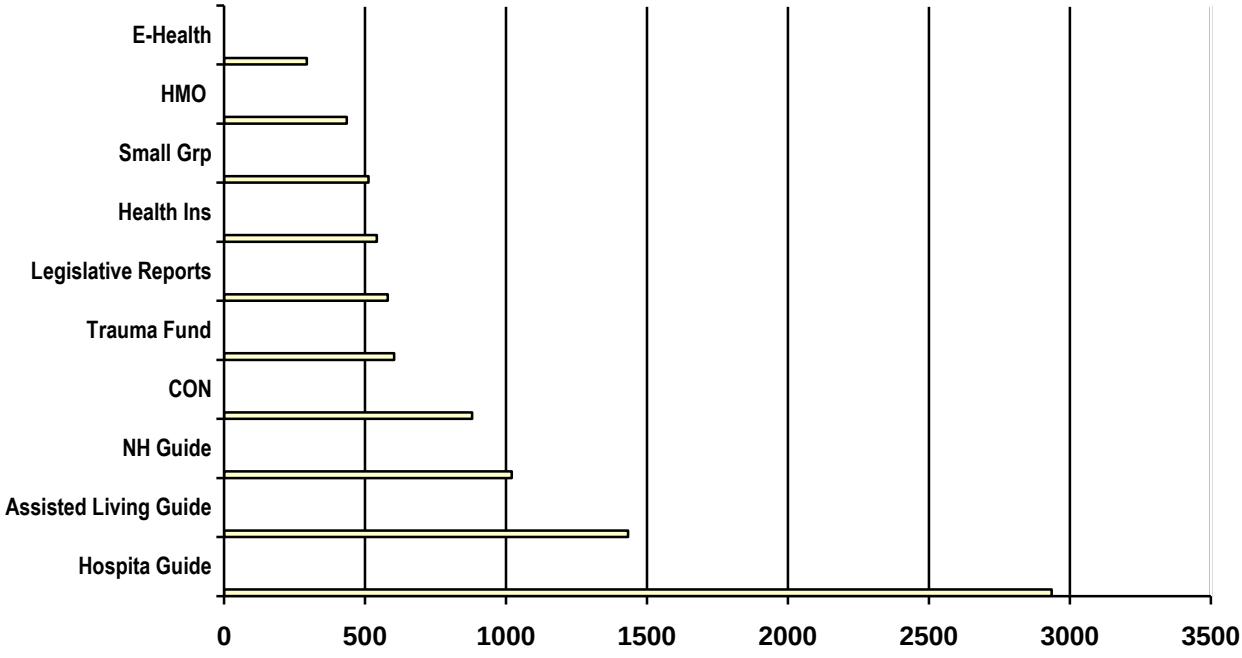
Maryland trauma physicians who have received uncompensated care payments from the Trauma Fund are in the process of filing an Annual Reconciliation Report. As of January 10, 2008, the Fund has been reimbursed $6,380.00. The report is due to the Commission no later than January 31, 2008.

Data Base and Application Development

Internet Activities

Figure 1 presents results on web utilization for the ten most frequently visited sites in December. The Hospital Performance Guide, shown as "Hospital Guide" in the Figure, is the site with the highest utilization. The Assisted Living and Nursing Home Guides had significant traffic. The remaining sites have are primarily policy related sites aimed at analysts and policymakers in the respective areas. Few visitors would typically be expected.

Figure 1 Unique Visits to the MHCC Web Site in November



Health Occupation Boards License Renewals

Staff continued to make progress on license renewal applications for occupation boards. Table 1 presents the status on development for health occupation boards.

Table 1 – Health Occupation Boards with Web Applications Under Development

Board	Anticipated Start	Start of Next Renewal Cycle
Psychologists	Testing underway, credit card interface needs approval	12/01/07
Counselors & Therapists	Active	Underway
Occupational Therapy	01/01/08	03/01/08
Audiologists	01/01/08	03/01/08
Acupuncture	03/01/08	04/14/08
Dietetic	06/01/08	08/11/08
Chiropractic	06/01/08	09/01/08
Optometry	07/01/08	06/30/09
Podiatry	Complete	Complete

Cost and Quality Analysis

Health Care Access and Reimbursement Task Force
MHCC is staffing the Task Force on Health Care Access and Reimbursement. The Task Force is charged with examining issues that have not been resolved over the past several years affecting access to and reimbursement of physicians. The General Assembly directed the Task Force to provide recommendations on broad questions affecting:

- patients' access to providers,
- payers' policies on participation on network panels
- adequacy of current reimbursement levels, and
- alternatives to the present system of payment, and approaches for linking reimbursement to quality.

The Task Force is required to submit a final report in July 2008, with an Interim report due to the legislature in January 2008. The Interim report must contain a recommendation on prohibiting carriers from requiring providers to participate in another carrier's network as a condition of participation. This case arose as a result of the merger of MAMSI with United Health Care. Senate Bill 749 introduced in the 2007 Session would have barred this activity. The issues discussed in the Interim Report are summarized below.

Two meetings were devoted to analyzing the participation issue. The Task Force heard testimony from the parties to the suit, heard the MIA's interpretation, and took comment from all interested individuals. After hearing all the issues, the Task Force was unwilling to take hasty action, as most members felt the issue required further study.

The Task Force members' positions on this issue varied.

- Some Task Force members agreed that problems existed, but it was not clear that the proposed prohibition resolved current problems. The MIA provided information that SB 749 offered in 2007 would not have solved the problem.

- Other members argued the issue had been largely resolved. The Task Force should instead devote its time to determining the current problems and developing solutions to those problems.

- Other Task Force members believed that caution on this question was warranted because the consequences, especially impacts on consumers and particularly the impact on premiums, had not been fully delineated. Legislators on the Task Force stated they had received no testimony from carriers on the impact of the bill on health care costs.

- A number of members affirmed the importance of requiring contracts that fully disclosed the provider obligations. In their view, it was essential that information on provider fees be disclosed and the provider be permitted to opt out of some products if conditions differed.

The Task Force will continue to meet during the Legislative Session on issues set forth in its charge. It will also carefully examine the recent MHA/MedChi workforce study and the implications of those recommendations on the charge. Legislative members of the Task Force have also submitted suggestions that the Task Force examine the causes for the lack of large practice formation in Maryland. Large multi-specialty practices and independent practice associations deliver care efficiently and can more effectively negotiate reimbursement with payers, yet they have large failed to take root in Maryland. Larger practices

are also better positioned to adopt information technology innovations that we know can further enhance the delivery of quality care. Given the scope of the Task Force charge and the complexity of the issues, John Colmers, Secretary of the Department of Health and Mental Hygiene and Chairman of the Task Force, will respectfully request that delivery of the final report be extended to December 31, 2008.

State Health Expenditures Report

The staff is completing the report, *State Health Care Expenditures: Experience from 2006.* When this report is issued, the MHCC meets its mandate to report on the state's total reimbursement for health care services in accordance with the law. The report will show that Maryland health care spending grew to $32.7 billion in 2006. The rate of overall growth in health care spending was nearly 8 percent from 2005 to 2006, slightly higher than the rate from 2002 to 2006, which averaged 7 percent per year. The accelerated growth in Maryland's health care spending in 2006 is a departure from the slowing growth observed in the three previous years. This up-tick is in contrast to the recently reported National Health Expenditure Accounts, which show continued slowing in the growth of health care spending nationwide in 2006.

Per capita expenditures for health care in Maryland ($5,823) were approximately 2.5 percent more than per capita expenditures nationally. From 2005 to 2006, per capita health care spending in Maryland grew 7 percent, compared to the longer term trend of 6 percent per year since 2002. The rate of growth in health care spending continues to surpass various measures of growth in the broader economy. For example, personal per capita income in Maryland increased at an average annual rate of 5 percent from 2002 to 2006.

Among the service sectors, hospital expenditure grew fastest at 8 percent. Spending on prescription drugs grew by 7 percent, and expenditures for services provided by physicians and other professional increased by 6 percent. Spending for administration and the net cost of insurance grew significantly, principally due to a 14 percent increase in these expenses among private payers.

Disparities in the Quality of Ambulatory Care in Maryland

MHCC awarded a contract to examine hospitalization rates for ambulatory care among Maryland residents to Mathematica Policy Research (MPR). The kick-off meeting for the study will be held in January, with a detailed work plan due from MPR in February. MPR will use MHCC's Medicare data to determine the rates of hospital admissions for selected ambulatory care conditions and assess how these admission rates vary by gender, race, geographic location, and income (with income defined as the median income in patient's zip code). (Limitations inherent in the race variable will permit calculations for only non-Hispanic Whites and Blacks.) MHCC anticipates that the study will be completed by September 2008. MHCC staff hopes to use the results of this study to further the development of a system of ambulatory care performance measures that will provide important feedback to the health care community. The study also serves our goal of strengthening our collaboration with other agencies in DHMH to improve the quality of care received by Maryland residents. Dr. David Mann, epidemiologist for Minority Health and Health Disparities, DHMH, is assisting MHCC in this study.

CENTERS FOR HEALTH CARE FINANCING AND LONG-TERM CARE AND COMMUNITY BASED SERVICES

Small Group Market

Comprehensive Standard Health Benefit Plan (CSHBP)
HB 579 (2007) required the Commission to develop a report on options to reform the CSHBP in a manner that will encourage more employers to enter the small group market. Mercer, the Commission's consulting actuary, conducted this in-depth analysis and John Welch presented the findings of this report to the Commission at the December public meeting. The Commission approved the report and copies have been submitted to the General Assembly in time for the start of the 2008 legislative session. The report also is posted on the Commission's website.

Limited Benefit Plan
As required under Chapter 287 of the Acts of 2004, and through the enactment of HB 800 (2007), the Commission was required to develop a report for the General Assembly on the overall enrollment in the Limited Benefit Plan since its inception on July 1, 2005 through June 30, 2007. The report also included alternative options for individuals enrolled in the Limited Benefit Plan. Staff presented the report to the Commission at the December public meeting for approval. The report was due by January 1, 2008. Copies of the report have been submitted to the General Assembly. The report also is posted on the Commission's website. The requirement that prominent carriers offer the Limited Benefit Plan in the small group market is set to sunset on June 30, 2008.

Mandated Benefits
As required under Insurance Article § 15-1501, Annotated Code of Maryland, the Commission is required to submit an annual report to the General Assembly on: (1) any proposed mandated health insurance service that failed during the preceding legislative session; or (2) any request for analysis on a mandated benefit that was submitted by a Legislator to the Commission by July 1st of that year. The 2007 report contained an analysis on one proposed mandate: coverage for habilitative services for any individual, regardless of age. Mercer conducted this analysis. Staff presented the report to the Commission for approval at the December public meeting. The report was due to the General Assembly by December 31, 2007. Copies have been submitted to the Legislature and the report is posted on the Commission's website.

As required under Insurance Article § 15-1502, Annotated Code of Maryland, every four years, the Commission is required to conduct an analysis on each existing mandated health insurance service in Maryland, including a comparison of Maryland's mandates to those in Delaware, Pennsylvania, Virginia, and the District of Columbia. Mercer conducted this analysis. Staff presented the report to the Commission for approval at the December public meeting. The report was due to the General Assembly by January 1, 2008. Copies have been submitted to the Legislature and the report is posted on the Commission's website.

Long Term Care Quality Initiative

Long Term Care Web Site Enhancement
Staff devoted considerable time to completing changes needed for the Nursing Home and Assisted Living Guides. Staff are also in the process of gathering input to expand the community services part of the web site so that it focuses on the whole compendium of long term care services, especially community based services. At our request, the AARP as volunteered two senior staff to assist with redesign. We will be including the two nursing home associations as was done in the past along with input from the LTC Advisory Committee.

Nursing Facility Family Survey
The time period for review and clarification of results by individual facilities is completed and the MHCC received only a few technical questions. Staff spent considerable time verifying and preparing the materials for pubic release which will occur following the Commission meeting. Individual facility results will be posted on the MHCC website.

LTC Advisory Group
The advisory group will not meet in January. A meeting will be held as soon as enhancements to the LTC Guide (website) are available for review by the group.

Long Term Care Policy and Planning

The study entitled *Long-Term Care Services and Supports in Maryland: Planning for 2010, 2020, 2030,* was presented to the Commission at its November meeting and sent to the legislature for the December 1, 2007 due date. The slides from the November Commission meeting presentation, as well as the final report, have been posted on the Commission's website under "Long-Term Care." Copies of the final report were sent to members of the Long-Term and Community-Based Services Advisory Committee.

Staff continues with work with OCS, the contractor for the Maryland Hospice Survey. Planning is underway for the release of the 2008 Maryland Hospice Survey (for the collection of 2007 data) which should begin early in 2008. In addition, the Commission has completed a contract modification with OCS to expand the work done on hospice data. This covers enhancements to the Maryland Hospice Survey including: development of a web-based completion and certification process; use of electronic signature procedures to authorize survey completion; requiring full survey completion and correction of errors prior to survey submission. In addition, there will be trend analyses of Maryland hospice data.

Several documents were submitted to the *Maryland Register* and were published on December 21, 2007. These include:

- Number of Chronic Hospital Beds and Patient Days and Percent Occupancy, by Facility: Maryland, 2006
- Nursing Home Operating Occupancy by Region and Jurisdiction: Maryland, FY 2005
- Required Maryland Medical Assistance Participation Rates for Nursing Homes by Jurisdiction and Region, 2005

These reports will also be posted on the Commission's website.

For the automated Home Health Agency Survey, 100% of the first group of home health agencies (HHAs) with a fiscal year ending date of June 30, 2007, and a survey submission due date of November

30, 2007 have been submitted. The survey application is now available to the other group of HHAs with a fiscal year end date of September 30, 2007 and a due date of February 28, 2008.

For the 2006 Long Term Care Survey, the data cleaning process is 90% complete. Staff has provided the data for the nursing home report card to the Center for Information Services and Analysis for processing and updating the Nursing Home Guide. Staff continues to work on the data for the Assisted Living Guide.

Health Plan Quality and Performance

2008 Performance Evaluation: HEDIS Audit and CAHPS Survey

Required Reporting Requirements for 2008-2009
Representatives from each of the HMOs required to report and PPOs participating in 2008 were notified in December of the final reporting requirements. The survey and audit vendors received notification as well. The PPO measurement set is more robust than the measurement set piloted during 2007 and will provide ample results for first year reporting on the performance of HMOs and PPO health plans.

HEDIS Audit
The 2008 audit season had its official start in December. Division staff worked with the audit firm to revise the data collection and reporting tool developed for MHCC-specific measures. Staff has instructed the audit team of data inconsistencies identified during the report development phase in 2007. This information will be used in developing plan-level audit strategies to examine information systems and data collection methods.

Consumer Assessment of Health Plan Study (CAHPS Survey)
Staff completed and submitted a new set of MHCC supplemental questions. The approval process required for all 2008 CAHPS survey supplemental questions, correspondence, and questionnaires will be completed in January. It is early in the process and steps to ensure the timely administration of the questionnaire are on track. W B & A is the new survey vendor in place for 2008 and has proposed an overall 10% oversample as one approach to influencing declining response rates.

Report Development—Procurement and 2007 Report Series
Health Plan Quality & Performance Division staff has begun the process of procuring services for 2008—2009. The current contract with NCQA will terminate May 31, 2008. The RFP is now in legal review.

The State Employee Guide and Comprehensive Report represent the last deliverables due under the current contract.

Health Care Disparities

Center staff continued discussions with representatives of various health plans regarding their intentions and plan for collecting and reporting race and ethnicity data on their members.

Bruce Kozlowski, Joyce Burton, and Rod Taylor met with the Mid-Atlantic Marketing Director, the Director for New Product Development, and the Medical Director for Aetna in December. The meeting served to confirm Aetna's national and Maryland activities and plans regarding the expansion and enhancement of programs strategies designed to reduce chronic disease and health status disparities. Although Aetna acknowledged that it had been actively collecting race and ethnicity data from its

member as part of the application process (on a voluntary, self-reporting basis), they noted that their reporting rate nationally was less than stellar.

Aetna is committed to working collaboratively with the Commission to explore strategies and opportunities to develop a viable process for future collecting and reporting of race and ethnicity enrollment data.

Aetna staff cited a number of relevant, innovative disease management/disparity programs that are on-going in other states that are being considered re replication in Maryland.

CENTER FOR HOSPITAL SERVICES

Hospital Services Policy and Planning

Certificate of Need (CON)

CONs Issued

Williamsport Nursing Home (Washington County) – Docket No. 07-21-2195
Relocation of 45 temporarily delicensed CCF beds from Clearview Nursing Home to the facility, a new wing to accommodate 72 CCF beds and related renovations to existing building
Cost: $22,208,617

CON Letters of Intent

Smith/Packett Med-Com LLC and Maryland Montgomery Health Investors, LLC (Montgomery County)
Establish a 120 bed CCF facility in Sandy Spring, Maryland (Montgomery County)

CON Applications Filed

No new applications filed in December

Pre-Application Conference

Smith/Packett Med-Com LLC and Maryland Montgomery Health Investors, LLC held on December 19, 2007.

Determinations of Coverage

- **Acquisitions**
  Bel Care Home Health Agency
  Acquisition of Bel Care Home Health Agency by HomeCare Maryland, LLC which will be authorized to provide home health services in Baltimore, Cecil and Harford Counties and Baltimore City.

- **Delicensure of Bed Capacity or a Health Care Facility**
  Harford Gardens Harborside Healthcare (Baltimore City)
  Temporary delicensure of 2o CCF beds

  Crawford Retreat (Baltimore City)
  Temporary delicensure of 2 CCF beds

Pickersgill Retirement Community (Baltimore County)
Temporary delicensure of 4 CCF beds

- **Relinquishment of Bed Capacity**
  Caroline Nursing Home (Caroline County)
  Permanent relinquishment of 2 temporarily delicensed CCF beds

- **Ambulatory Surgery Centers**

  Center for Pain Medicine and Physiatric Rehabilitation (Queen Anne's County)
  Establish an ambulatory surgery center with 1 procedure room to be located at 1610 Main Street, Chester, Maryland

Hospital Services Policy and Planning

The Acute Care Planning Work Group met on December 7, 2007. Final consideration was given to draft general and project review standards developed as proposed amendments to COMAR 10.24.10 and changes considered and endorsed earlier in the year by the Work Group with respect to projecting the need for MSGA and pediatric beds were reviewed and additional changes considered.

Three members of the Commission Staff visited Carroll Hospital Center on December 5, 2007 to receive an orientation to an expansion and renovation project currently in Certificate of Need review and to tour the hospital.

Hospital Quality Initiatives

Maryland Senate Bill 135, *Hospitals - Comparable Evaluation System - Health Care Associated Infection Information*, became law on July 1, 2006. The law requires that the MHCC Hospital Performance Evaluation Guide be expanded to include healthcare-associated infection information from Maryland hospitals. To assist in developing a plan for expanding the Guide, the Healthcare-Associated Infections (HAI) Technical Advisory Committee was established and held its first meeting in November 2006. A *Draft Report and Recommendations of the HAI Committee* was distributed for public comment on November 13, 2007, with comments due by December 11, 2007. Written comments were received from ten hospitals and the Maryland Hospital Association. The HAI Committee met on December 12, 2007 to review public comments and finalize the Committee recommendations which were presented to the Commission during the December 20th Commission Public Meeting. The Commission approved the report and directed staff to proceed with the implementation of the Committee recommendations.

In support of MHCC's hospital quality initiatives, the staff continues to reach out to other units within DHMH, federal agencies, professional organizations and other states, to share and gather information and to identify opportunities for collaboration and improvement. These activities are highlighted below:

- **National Healthcare Safety Network (NHSN)**

The Division of Healthcare Quality Promotion of the CDC manages the National Healthcare Safety Network (NHSN), an internet-based surveillance system that integrates patient and healthcare personnel safety surveillance systems. CHS staff participates in the NHSN State Users monthly teleconferences to stay abreast of issues surrounding hospital performance measures. On January 9th, staff participated in an

NHSN conference call regarding technical and compliance issues associated with healthcare-associated infection data reporting.

CHS staff initiated an on-site meeting with the hospital Infection Control staff at Johns Hopkins Bayview Medical Center to discuss implementation issues associated with the HAI TAC recommendations. The staff received a demonstration of the National Healthcare Safety Network (NHSN) software.

- **Hospital Emergency Department Performance Measure Technical Advisory Committee**

CHS staff is working with the Technical Advisory Committee on ED Performance Measures to develop a survey instrument to assess hospital emergency department (ED) capacity to collect and report a preliminary set of measures developed by a group under contract to CMS. The next meeting of Technical Advisory Committee is being scheduled for the end of January 2008.

- **Hospital Vendor Survey on Hospital Information Systems**

CHS staff is conducting a survey of hospitals to gather information on the use of external information systems vendors to perform data collection and management activities for the core measure and patient experience data sets collected by Maryland hospitals.

The next meeting of the Hospital Performance Evaluation Guide Advisory Committee is scheduled for Monday, January 28, 2008 at 9:00 a.m. in the Commission offices.

Specialized Services Policy and Planning

COMAR 10.24.05 Research Waiver Applications: Atlantic C-PORT Study of Nonprimary Percutaneous Coronary Intervention (PCI) provides for a limited number of qualified hospitals without on-site cardiac surgical services to participate in the Atlantic Cardiovascular Patient Outcomes Research Team (C-PORT) elective angioplasty study. Letters of intent from hospitals with primary PCI programs in the Metropolitan Baltimore and Metropolitan Washington Regional Service Areas were due on January 2, 2008. The following hospitals timely filed letters of intent: Anne Arundel Medical Center, Baltimore Washington Medical Center, Shady Grove Adventist Hospital, Southern Maryland Hospital Center, Johns Hopkins Bayview Medical Center, and Holy Cross Hospital. In order to file a research waiver application, a hospital must have a two-year primary PCI waiver at the time of application; the Commission will receive applications from eligible hospitals in the metropolitan regions on February 4th.

Maryland hospitals without on-site cardiac surgery are required to obtain a waiver to provide primary PCI, a catheter-based technique used to relieve coronary vessel narrowing associated with acute ST-segment elevation myocardial infarction (STEMI). On March 30, 2007, the Commission published in the *Maryland Register* an updated schedule for the submission of initial and renewal applications for a waiver to provide primary PCI services in a hospital without on-site cardiac surgery. Initial applications from hospitals in the Metropolitan Baltimore region were scheduled for receipt by the Commission on January 9, 2008; Carroll Hospital Center timely filed an application to establish a new primary PCI program.

On March 15, 2007, the Commission granted one-year primary PCI waivers to two new sites in the Western Maryland Regional Service Area: Frederick Memorial Hospital (Docket No. 06-10-0012 WN)

and Washington County Hospital (Docket No. 06-21-0013 WN). On May 17, 2007, the Commission issued a one-year waiver to one new site in the Metropolitan Baltimore Region: Upper Chesapeake Medical Center (Docket No. 07-12-0014 WN). Each hospital must institute primary PCI services within one year of the date of the hospital's waiver. Bimonthly reports regarding the hospitals' progress in implementing primary PCI services are due in mid-January.

Under a contract with the Commission, the Atlantic C-PORT staff collects and validates data on STEMI and primary PCI patients presenting at waiver hospitals. The Commission's registry provides data necessary to monitor each primary PCI program's compliance with certain regulatory requirements, including patient eligibility, door-to-balloon times, and institutional volume. One-year waivers granted to the following hospitals were temporarily extended until January 31, 2008, under the circumstances and conditions provided in the hospital's Extension of Waiver: Howard County General Hospital, Johns Hopkins Bayview Medical Center, St. Agnes Hospital, Doctors Community Hospital, and Holy Cross Hospital. If the registry data shows that the hospital maintained or attained compliance with the conditions for the period from April 1, 2007 through December 31, 2007, the Commission will issue a two-year waiver to perform primary PCI without on-site cardiac surgery services. Preliminary audited data for the fourth quarter (October 1 to December 31) of calendar year 2007 are due by January 15, 2008. At the public meeting on January 17, 2008, the Commission's staff will provide an update on the status of the hospitals. Data reports on the primary PCI programs are available at http://mhcc.maryland.gov/hospital_services/specialservices/cardiovascular/pci_data.aspx.
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CENTER FOR HEALTH INFORMATION TECHNOLOGY

Health Information Technology

Staff completed making final changes to the draft Task Force to Study Electronic Health Records (Task Force) report. Printing of the report was outsourced and copies were sent to the Governor and General Assembly in accordance with the founding legislation – SB 251. The report is also available on the MHCC website. The recommendations propose ways to promote the adoption of electronic health records (EHRs) and health information exchange (HIE). The Task Force identified 13 recommendations that address financial, technological, legal/regulatory, and consumer education. The Task Force studied issues related to patient safety and privacy, as well as specific issues related to electronic transfer, e-prescribing, computerized provider order entry (CPOE), and the current use and potential expansion of electronic health records into school health records.

The Privacy and Security Solutions and Implementation Workgroup (Workgroup) convened in December. The Workgroup's goal is to develop a set of recommendations and high level implementation plans that address key barriers related to privacy and security of electronic health information exchange. Last month, the Workgroup categorized data by importance and arranged key barriers into groups for additional analysis in January. Preliminary work on the background section of the draft report began in December. Staff anticipates completing an initial draft of the final report in early February and releasing the final report at the end of March. Mosaica Partners, a consultant organization, is providing support to staff in completing the data analysis, facilitating workgroup meetings, and drafting the final report.

Staff continued to participate in virtual meetings of the Certification Commission for Health Information Technology's (CCHIT) Network Workgroup (Workgroup). CCHIT is a voluntary, private-sector organization formed in July 2004, with a mission to accelerate the adoption of HIT by creating an

efficient, credible, and sustainable certification program. The Workgroup has been meeting weekly for about the last six months to develop criteria for certification and testing of clinical networks involved in HIE. The Workgroup has been working in collaboration with other CCHIT Workgroups to ensure uniformity of testing criteria across CCHIT products. In December, the Workgroup continued to work on the development of testing scenarios for network certification criteria, as well as exploring testing mechanisms. In January, the Workgroup is planning to survey existing networks to assess their interest in participating in pilot testing. Networks are not required to meet any pre-determined performance standards for participation in the pilot program. The Workgroup expects to release a first draft of the test criteria in January.

Staff continued to provide support to the Maryland Hospital Association (MHA) Transaction Workgroup (Workgroup). The Workgroup is focused on assessing the impact of developing a hospital owned electronic health network (EHN or network), or entering into a bulk services contract with one of the existing MHCC-certified networks, as a way to decrease administrative transaction costs. Last month, the Workgroup decided to delay efforts in evaluating governance models until it concludes on its recommendations for increasing electronic data interchange between hospitals and payers. The Workgroup plans to meet several times in January to finalize its recommendations and develop a draft Request for Proposal consistent with the Workgroup's recommendations, which will be presented to the MHA's Council on Financial Policy in February.

Health Information Exchange

The MHCC and the Health Services Cost Review Commission (HSCRC) released the draft Request for Application (RFA) for *A Citizen-Centric Health Information Exchange for Maryland: Request for Application* for public comment on November 30th with comments due by December 7th. In response to the draft RFA, comments were received from seven organizations. Staff prepared a summary and analysis, and reviewed these comments as part of a December 12th public meeting. The final RFA is scheduled for release on January 2nd and will appear in the January 4th issue of the *Maryland Register*. Multi-stakeholder groups interested in responding to the RFA have until March 3rd. The RFA is the first phase of a two-phased strategic plan to provide funding for different parallel projects in planning a statewide HIE**,** which will be followed by a single implementation project to build a statewide HIE. The planning phase is intended to identify best practices and ideas that will be incorporated into a single RFA to build a statewide HIE capable of sharing patient information across multiple provider settings across the state. Multi-stakeholder groups must include a Maryland hospital as one of its participants and are encouraged to include participants from a wide-range of sector groups. The HSCRC plans to fund this initiative through adjustments to hospital rates.

Staff worked alongside CareFirst, LifeBridge Health Systems, and the Community Health Integrated Partnership (CHIP) to develop a combined draft press release announcing CareFirst's decision to provide funding for these organization's HIT initiatives. CareFirst has committed under the *Bridges to Excellence* program approximately $967,000 toward a $3.2 million CHIP initiative to develop and build an electronic health record system that will capture a wide variety of operational data from participating health centers and comprehensive patient care information. In addition, LifeBridge Health will receive $550,000 from CareFirst toward an $800,000 project to electronically link consumers and health care providers. Both projects will use a slightly different approach to connect physicians and other health care providers to a service area network for exchanging electronic clinical information. Staff provided consultative support to these organizations in the preparation of their proposal to CareFirst.

Representatives from the National Coordinator for Health Information Technology (ONC) met with the Multi-State Collaborative Workgroup (Workgroup) to provide feedback on its draft 2008 privacy and security plan of work. ONC asked the Workgroup to make several modifications the draft proposal and submit a final proposal before the end of December. ONC expects to make a funding decision on the

proposal by the end of January. Participating states were also required to submit a budget as part of the proposal. The Workgroup's proposal addressed issues related with education, standards, privacy and security, consent and authorization issues, inter-organizational agreements, and harmonizing State privacy laws. ONC also plans to issue a series of Request for Proposals in 2008 based on input from the Workgroup. The National Governors Association's Center for Best Practices (NGA) formed this Workgroup with representatives from 48 states to explore interstate challenges related to privacy and security of electronic health information. Staff has been participating on the Workgroup since it formed in September.

Staff continued to develop a plan of work that will bring together stakeholders to develop policies that harmonize local service area health information exchange (SAHIE) efforts. Staff intends to invite hospital Chief Information Officers and other stakeholders to participate in a Workgroup to create a communications mechanism for SAHIEs to ask questions and share lessons learned with other SAHIEs; highlight key technical, financial, organizational, legal, and clinical challenges that need to be addressed; and identify common policies regarding access, authentication, authorization, and TPO (HIPAA – treatment, payment, healthcare operations). This is a consensus development initiative aimed at harmonizing statewide SAHIE efforts to help facilitate the adoption of consistent standards, policies, and business practices. Coordinating activities among hospitals related to HIE with physicians and other health care providers is a significant step toward readying for a statewide HIE. In December, staff developed a Bid Board Notice that was posted on the MHCC website and on Maryland's e-Government website. Staff anticipates selecting a consultant organization to assist with this initiative around the middle of January.

Electronic Health Networks

Staff granted MHCC EHN recertification to RealMed Corporation. In December, staff received MHCC recertification applications from RelayHealth/McKesson and Passport Health Communications. During the month staff provided consultative services to Health Data Management and Gateway EDI regarding their MHCC recertification application. Staff is finalizing its review of PNC/Xpack Network Services recertification application. Staff also completed a draft of the MHCC EHN Certification Policy and Procedures manual. The manual documents the policies and procedures in place for the certification of EHNs, will be used to evaluate and improve certification procedures, and will serve as a training tool for the Center.

The replacement regulations for COMAR 10.25.07 *Certification of Electronic Health Networks and Medical Care Electronic Claims Clearinghouses* appeared in the December 20th issue of the *Maryland Register*. They are set to go into effect after a 30-day public comment period and Commission approval at the February MHCC meeting. The Commission approved changes at its September meeting to the regulations that include provisions for staff approval of certification and recertification of networks, and a modest increase in certification application fees.

Staff completed drafting the "2007 Practitioner and Hospital EDI Review" and anticipates a final release at the end of January. This information guide reports on administrative transaction census data from approximately 41 payers, which include private payers with premiums of $1 million or more, Maryland Medicaid Managed Care Organizations, Maryland Medicaid, and Medicare. The report reviews electronic data interchange (EDI) trends since 2002, the current level of EDI in the State, compares Maryland EDI with national trends, and focuses on EDI adoption by the six largest payers in Maryland. Last year the percent of electronic practitioner and hospital claims increased by about nine percentage points to approximately 74 percent, which is consistent with national trends.

Staff identified approximately 42 payers that it will notify in January of their requirement to submit a "2008 EDI Progress Report" by June 30th in accordance with COMAR 10.25.09, *Requirements for Payers*

to Designate Electronic Health Networks. This data submission provides the foundation for the 2008 practitioner and hospital, and dental EDI report. Staff is in the early stages of developing an application that will enable payers to submit their EDI Progress Report electronically. Testing of the web-based application is scheduled in April.